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**FISCAL IMPACT STATEMENT**

**LS 6508**

**BILL NUMBER:** HB 1463

**NOTE PREPARED:** Dec 6, 2004

**BILL AMENDED:**

**SUBJECT:** Special Education Students and Graduation.

**FIRST AUTHOR:** Rep. Goodin

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill provides that if a student who is a child with a disability does not achieve a passing score on the graduation examination, the student's case conference committee determines whether the student is eligible to graduate based upon the requirements of the student's individualized education program.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* Local school corporations (via case conference committees for students with disabilities) would have more flexibility in deciding whether certain students could be awarded a high school diploma based on goals established by the student's individual educational program and on passing grades determined by case conference committees.

Under the bill, the impact on local expenditures is currently indeterminable and would vary by school corporation.

*Background:* ISTEP+ is Indiana's statewide student assessment program, which is administered to Grades 3 through 10. ISTEP+ includes both norm- and criterion-referenced components, is administered in the fall, and is based upon proficiencies from the previous year.

The norm-referenced component of ISTEP+ compares a student's performance to the performance of a statistically representative sampling of U.S. students. The criterion component of ISTEP+ (which includes English/Language Arts and Mathematics subject areas) measures student performance against the Indiana Academic Standard (an expectation of student achievement developed by the State Standards Task Force).

Beginning with the graduating class of the 1999-2000 school year, students who expected to graduate with a diploma were required to either: (1) complete all high school graduation credit requirements in addition to receiving a score at or above the Indiana Academic Standard on the Examination; (2) successfully complete all components of the CORE 40 curriculum; or (3) successfully appeal the examination test results in accordance with current law. A student who does not receive a score at or above the Indiana Academic Standard may retake the examination during each semester of each grade following the grade in which the student is initially tested.

In the 2003-2004 school year, about 61% of tenth grade students received a passing score on the examination in both English and Math. Approximately 61% of the tenth grade class of school year 2002-2003 received a score at or above the Indiana Academic Standard on both portions of the examination.

In FY 2005, \$39,210,450 were appropriated from the state General Fund and state dedicated funds for ISTEP+ testing and remediation. Of this amount, approximately \$17 M was distributed to eligible school corporations for preventative and regular remediation and approximately \$22.4 M was distributed for test development and administration.

In FY 2005, \$4.9 M was appropriated from the state General Fund for graduation exam remediation.

The CY 2004 Supplemental Remediation Grant distribution totaled \$14.1 M.

#### Students With Disabilities

Students with disabilities may also appeal ISTEP+ test results in accordance with current law. A student's case conference committee may determine that the student is eligible to graduate with a diploma if certain criteria have been met.

For the 2002-2003 graduating class, 2,102 special education students graduated with a general waiver, and 239 graduated with a CORE 40 waiver.

About 21% of 2002-2003 school year Grade 10 special education students passed the English/language arts portion of the ISTEP+ examination, and 27% passed the mathematics portion.

#### **Explanation of Local Revenues:**

##### **State Agencies Affected:**

**Local Agencies Affected:** School corporations.

**Information Sources:** State of Indiana, *List of Appropriations (July 1, 2003, to June 30, 2005)*; Indiana State Budget Agency BUDSTARS system; DOE SAS AND ORACLE DATABASES; Department of Education Internet site: <http://www.doe.state.in.us/> ; Bob Marra, Assistant Superintendent, Division of Exceptional

Learners, Department of Education, (317) 232-0570; *Indiana Annual State Report Card*.

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